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MEMORANDUM FOR: Director of Logistics

FROM: Robert W. Gambino  
Director of Security

SUBJECT: Security Violations Occurring at CIA  
Funded Contractor Facilities --  
Definition of and Reporting Procedures (U/AIUO)

1. (S) During security audits conducted at Agency-funded and non-Agency-funded contractors as a result of the Boyce/Lee Case, it has become apparent that some contractors have not been reporting security violations to Headquarters. It is recognized that such reports have not been required in the past with respect to collateral classified contracts, and that it was only in the SCI area that reporting of security violations was mandatory. Many contractors have adopted the policy of reporting only violations which have, in their judgment, resulted in compromise or which they felt could potentially result in compromise. They have not uniformly reported other matters such as open safes or unsecured classified material found by guards, preferring to regard them simply as security "discrepancies" rather than as violations.

2. (U/AIUO) The Director of Central Intelligence has expressed concern regarding this situation and agrees that such a lack of reporting is unacceptable. The following policy will, therefore, apply with regard to all contracts under the cognizance of the Central Intelligence Agency:

(U/AIUO) "SECURITY VIOLATION: Any breach of security regulations, requirements, procedures or guides by an individual which subjects classified or sensitive material or information to compromise to unauthorized persons, or which places it in jeopardy where a compromise could result, constitutes a reportable security violation. Such a breach

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includes both acts of omission such as failure to properly secure classified or sensitive material, and acts of commission such as discussion of classified or sensitive information over nonsecure telephone circuits. The information and materials referred to in this definition comprise Collateral classified, SCI classified, and those materials and information which are sensitive because they involve intelligence sources and methods."

3. (U/AIUO) It is requested that you disseminate the definition as shown above to all of your contractors.

4. (U/AIUO) Along with the definition, please forward a copy of the attached Security Violation Report Form. It may be reproduced locally by each contractor as necessary. Please inform your contractors that the Security Violation Report Forms, when filled in, are to be classified SECRET if they relate to SCI contracts, and CONFIDENTIAL if they relate to Collateral-type contracts. The contractor is to submit these forms in duplicate to the Cognizant Headquarters Security Officer (CHSO). The CHSO will maintain one copy in Office of Logistics files as a record of security violations pertaining to that particular contract for review during contract award fee negotiations. The CHSO will send the second copy to the Office of Security for inclusion in the individual's security file. Full Program names should not be used in reporting SCI violations on this Security Violation Report Form because the forms will ultimately be stored in a noncompartmented area. If it is necessary for the contractor to report SCI details of a violation, the facts should be separately stated in an attachment which will be detached upon receipt at Headquarters and maintained under SCI control.

5. (U/AIUO) It is recognized that the Office of Communications has already established procedures under which contractors report certain types of COMSEC violations to Headquarters. This new procedure is a supplementary requirement.

6. (U/AIUO) Please advise this Office when the actions in paragraphs 3 and 4 have been accomplished.

Robert W. Gambino

Attachment

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